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RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE

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8 UNITED STATES DISTRICT COURT
9 NORTHERN DISTRICT OF CALIFORNIA
10 SAN JOSE DIVISION

11
12 UNITED STATES OF AMERICA,

13 Plaintiff,

14 v.

15 FEI YE,
a/k/a Ye Fei, and
16 MING ZHONG,
a/k/a Zhong Ming,
17 a/k/a Andy Zhong,

18 Defendants.

CR 02 20145 JW

VIOLATIONS: 18 U.S.C. §§ 371,
1831(a)(5) and 1832(a)(5) – Conspiracy;
18 U.S.C. § 1831(a)(3) – Economic
Espionage; 18 U.S.C. § 1832(a)(3) –
Possession of Stolen Trade Secrets;
18 U.S.C. § 2314 – Foreign Transportation
of Stolen Property; 18 U.S.C. § 2 – Aiding
and Abetting

SAN JOSE VENUE

19
20
21 INDICTMENT

22 The Grand Jury charges:

23 COUNT ONE: (18 U.S.C. §§ 371, 1831(a)(5), and 1832(a)(5))

24 1. On or about a date unknown but at least by the summer of 2001, and continuing to on or
25 about November 24, 2001, in the Northern District of California and elsewhere, the defendants

26 FEI YE,
a/k/a Ye Fei, and
27 MING ZHONG,
a/k/a Zhong Ming,
28 a/k/a Andy Zhong,

INDICTMENT

1 did knowingly conspire and agree with each other and other persons to commit the following
2 offenses: economic espionage, in violation of 18 U.S.C. § 1831(a)(3); possession of stolen trade
3 secrets, in violation of 18 U.S.C. § 1832(a)(3); and foreign transportation of stolen property, in
4 violation of 18 U.S.C. § 2314.

5 2. It was part of the conspiracy that the defendants and other persons would and did establish
6 and promote Supervision, Inc. (Supervision), a/k/a Hangzhou Zhongtian Microsystems Company
7 Ltd., a/k/a Zhongtian Microsystems Corporation, to produce and sell microprocessors in the People's
8 Republic of China (PRC).

9 3. It was further part of the conspiracy that the defendants and other persons would and did
10 attempt to recruit others, including engineers, to participate in and work for the Supervision project.

11 4. It was further part of the conspiracy that the defendants and other persons would and did
12 make representations to others they were recruiting for the Supervision project including the
13 following:

14 a. Funding for the Supervision project was being provided by the City of Hangzhou
15 in the PRC;

16 b. Supervision was also applying for funding from the 863 Program (The National
17 High Technology Research and Development Program of China); and

18 c. Supervision was working with a professor from Zhejiang University in the PRC.
19 who was assisting in obtaining funding from the 863 Program.

20 5. It was further part of the conspiracy that the defendants would travel to the PRC and take
21 with them documents and materials containing trade secrets belonging to Transmeta Corporation
22 (Transmeta) and Sun Microsystems, Inc. (Sun).

23 6. In furtherance of the agreement and to effect its objects, the defendants committed, among
24 others, the following overt acts in the Northern District of California:

25 a. On or about November 23, 2001, defendant Fei Ye possessed documents and
26 materials containing the trade secrets described in Counts Two, Three, and Nine of this Indictment
27 belonging to Transmeta and Sun in the County of Santa Clara and at the San Francisco
28 International Airport (SFO);

1 b. On or about November 23, 2001, defendant Ming Zhong possessed documents and
2 materials containing the trade secrets described in Counts Four, Five, and Ten of this Indictment
3 belonging to Transmeta in the County of Santa Clara and at SFO;

4 c. On or about November 23 and 24, 2001, defendant Fei Ye possessed documents
5 and materials containing the trade secrets described in Count Six of this Indictment belonging to
6 Sun, NEC Electronics Corporation (NEC), and Trident Microsystems, Inc. (Trident) at his residence
7 in the County of Santa Clara;

8 d. On or about November 23, 2001, defendant Ming Zhong possessed documents and
9 materials containing the trade secrets described in Count Seven of this Indictment belonging to
10 Trident at his residence in the County of Santa Clara;

11 e. On or about November 23, 2001, defendant Ming Zhong possessed documents and
12 materials containing the trade secrets described in Count Eight of this Indictment belonging to
13 Trident at his Transmeta office in the County of Santa Clara;

14 f. On or about November 23 and 24, 2001, defendant Fei Ye possessed a Corporate
15 Charter for Hangzhou Zhongtian Microsystems Company Ltd. at his residence in the County of Santa
16 Clara which states that the joint-venture will raise China's ability to develop super-integrated circuit
17 design, and form a powerful capability to compete with worldwide leaders' core development
18 technology and products in the field of integrated circuit design;

19 g. On or about November 23 and 24, 2001, defendant Fei Ye possessed a Feasibility
20 Report Review regarding Zhongtian Microsystems Corporation at his residence in the County of
21 Santa Clara which states that The Panel of Experts have found unanimously that: the project has
22 important significance for the development of China's high-level embedded CPU and the basic
23 development of the system chip; the project will have a positive effect on the development of
24 China's integrated circuit industry; and they recommend that every government department
25 implement and provide energetic support;

26 h. On or about November 23, 2001, defendant Ming Zhong possessed a Project
27 Application Form for the National Special Foundation for Importing Knowledge of Software and
28 Integrated Circuits printed by the National Bureau of Foreign Experts at his residence in the County

1 of Santa Clara which states that The Chinese Group of Experts are unanimous in thinking that:
2 implementation of the Hangzhou Zhongtian Microsystems Ltd. project possesses tremendous
3 significance with regard to both the autonomous Chinese development of an embedded CPU and for
4 the basic development of system chips; the project will be extremely useful to the development of
5 China's integrated circuit industry; and they suggest that every level of government offer their
6 support toward the implementation of this project; and

7 i. On or about November 23, 2001, defendants Fei Ye and Ming Zhong attempted
8 to board an aircraft at SFO bound for the PRC.

9 All in violation of Title 18, United States Code, Sections 371, 1831(a)(5), and 1832(a)(5).

10
11 COUNT TWO: (18 U.S.C. §§ 1831(a)(3) and 2)

12 1. On or about November 23, 2001, in the Northern District of California, the defendant

13 FEI YE,
14 a/k/a Ye Fei,

15 intending and knowing that the offense would benefit a foreign government; namely the PRC, and
16 instrumentalities thereof including the City of Hangzhou, the 863 Program, and Zhejiang University,
17 did knowingly possess trade secrets belonging to Transmeta and Sun, knowing the trade secrets to
18 have been stolen, appropriated, and obtained without authorization.

19 2. Specifically, defendant Fei Ye knowingly possessed trade secrets belonging to Transmeta
20 and Sun in the County of Santa Clara and in his luggage at SFO while attempting to board an aircraft
21 bound for the PRC including the documents and materials identified as follows: (a) Transmeta -
22 p95f schematics, astro schematics, and four CDs containing astro project module files; and (b) Sun
23 - Physical Design Methodology Rev. 2.0 and NeWSprint 2.5.

24 3. On or about November 23, 2001, in the Northern District of California, the defendant

25 MING ZHONG,
26 a/k/a Zhong Ming,
27 a/k/a Andy Zhong,

28 did knowingly and intentionally aid and abet defendant Fei Ye in the commission of the offense
described in paragraphs 1 and 2 of this Count.

INDICTMENT

1 All in violation of Title 18, United States Code, Sections 1831(a)(3) and 2.

2
3 COUNT THREE: (18 U.S.C. §§ 1832(a)(3) and 2)

4 1. On or about November 23, 2001, in the Northern District of California, the defendant

5 FEI YE,
6 a/k/a Ye Fei,

7 with intent to convert trade secrets belonging to Transmeta and Sun to the economic benefit of
8 someone other than the owners thereof, which trade secrets are related to and included in products
9 that are produced for and placed in interstate and foreign commerce, did knowingly possess such
10 information knowing it to have been stolen, appropriated, obtained, and converted without
11 authorization, and intending and knowing that his act would injure Transmeta and Sun.

12 2. Specifically, defendant Fei Ye knowingly possessed trade secrets belonging to
13 Transmeta and Sun in the County of Santa Clara and in his luggage at SFO while attempting to board
14 an aircraft bound for the PRC including the documents and materials identified as follows: (a)
15 Transmeta - p95f schematics, astro schematics, and four CDs containing astro project module files;
16 and (b) Sun - Physical Design Methodology Rev. 2.0 and NeWSprint 2.5.

17 3. On or about November 23, 2001, in the Northern District of California, the defendant

18 MING ZHONG,
19 a/k/a Zhong Ming,
20 a/k/a Andy Zhong,

21 did knowingly and intentionally aid and abet defendant Fei Ye in the commission of the offense
22 described in paragraphs 1 and 2 of this Count.

23 All in violation of Title 18, United States Code, Sections 1832(a)(3) and 2.

24 COUNT FOUR: (18 U.S.C. §§ 1831(a)(3) and 2)

25 1. On or about November 23, 2001, in the Northern District of California, the defendant

26 MING ZHONG,
27 a/k/a Zhong Ming,
28 a/k/a Andy Zhong,

intending and knowing that the offense would benefit a foreign government; namely the PRC, and
instrumentalities thereof including the City of Hangzhou, the 863 Program, and Zhejiang University,

INDICTMENT

1 did knowingly possess trade secrets belonging to Transmeta, knowing the trade secrets to have been
2 stolen, appropriated, and obtained without authorization.

3 2. Specifically, defendant Ming Zhong knowingly possessed trade secrets belonging to
4 Transmeta in the County of Santa Clara and in his luggage at SFO while attempting to board an
5 aircraft bound for the PRC including the documents and materials identified as follows: technical
6 information from Transmeta's intranet; computer aided design (CAD) scripts; and project Han
7 schematics.

8 3. On or about November 23, 2001, in the Northern District of California, the defendant

9 FEI YE,
10 a/k/a Ye Fie,

11 did knowingly and intentionally aid and abet defendant Ming Zhong in the commission of the
12 offense described in paragraphs 1 and 2 of this Count.

13 All in violation of Title 18, United States Code, Sections 1831(a)(3) and 2.

14 COUNT FIVE: (18 U.S.C. §§ 1832(a)(3) and 2)

15 1. On or about November 23, 2001, in the Northern District of California, the defendant

16 MING ZHONG,
17 a/k/a Zhong Ming,
18 a/k/a Andy Zhong,

19 with intent to convert trade secrets belonging to Transmeta to the economic benefit of someone other
20 than the owner thereof, which trade secrets are related to and included in products that are produced
21 for and placed in interstate and foreign commerce, did knowingly possess such information knowing
22 it to have been stolen, appropriated, obtained, and converted without authorization, and intending
23 and knowing that his act would injure Transmeta.

24 2. Specifically, defendant Ming Zhong knowingly possessed trade secrets belonging to
25 Transmeta in the County of Santa Clara and at SFO while attempting to board an aircraft bound for
26 the PRC including the documents and materials identified as follows: technical information from
27 Transmeta's intranet; computer aided design (CAD) scripts; and project Han schematics.

1 3. On or about November 23, 2001, in the Northern District of California, the defendant

2 FEI YE,
3 a/k/a Ye Fei,

4 did knowingly and intentionally aid and abet defendant Ming Zhong in the commission of the
5 offense described in paragraphs 1 and 2 of this Count.

6 All in violation of Title 18, United States Code, Sections 1832(a)(3) and 2.

7 COUNT SIX: (18 U.S.C. § 1832(a)(3))

8 1. On or about November 23 and 24, 2001, in the Northern District of California, the
9 defendant

10 FEI YE,
11 a/k/a Ye Fei,

12 with intent to convert trade secrets belonging to Sun, NEC, and Trident to the economic benefit of
13 someone other than the owners thereof, which trade secrets are related to and included in products
14 that are produced for and placed in interstate and foreign commerce, did knowingly possess such
15 information knowing it to have been stolen, appropriated, obtained, and converted without
16 authorization, and intending and knowing that his act would injure Sun, NEC, and Trident.

17 2. Specifically, the defendant knowingly possessed trade secrets belonging to Sun, NEC,
18 and Trident at his residence in the County of Santa Clara including the documents and materials
19 identified as follows: (a) Sun--SIU Incoming Transaction Implementation; DMU Datapath; Cheetah
20 DCache Unit Review; Clocking in CCDM, Chapter 15.10; Power Consumption Estimation in
21 CCDM, Chapter 15.15; 8K Page Size TLB Lsim Doc. in CCDM, Chapter 15; Noise, CCDM,
22 Chapter 15.8; Ultra Sparc-III Programmer's Reference Manual; Floating Point Register File Core
23 Megacell Specification; Safari Forward Progress; MMU Review; Fully Associative TLB Circuit Imp.
24 Review; Different Clock Ratio Handling in DPCTL; EM Simulation Guidelines; Write Cache
25 Review; IT8 Implementation Review; IU Standalone Test Guide, Revision .01; and Memory
26 Management Unit; (b) NEC - VR5400 Microprocessor Specification; Excalibur schematics;
27 VR4320 Cache Unit and other schematics; and UC III Device & Process parameters; and (c) Trident
28 - schematics.

All in violation of Title 18, United States Code, Section 1832(a)(3).

INDICTMENT

1 COUNT SEVEN: (18 U.S.C. § 1832(a)(3))

2 1. On or about November 23, 2001, in the Northern District of California, the defendant

3 MING ZHONG,
4 a/k/a Zhong Ming,
a/k/a Andy Zhong,

5 with intent to convert trade secrets belonging to Trident to the economic benefit of someone other
6 than the owner thereof, which trade secrets are related to and included in products that are produced
7 for and placed in interstate and foreign commerce, did knowingly possess such information knowing
8 it to have been stolen, appropriated, obtained, and converted without authorization, and intending
9 and knowing that his act would injure Trident.

10 2. Specifically, the defendant knowingly possessed trade secrets belonging to Trident at his
11 residence in the County of Santa Clara including the documents and materials identified as follows:
12 presentation entitled Image 975/985 2D/3D Graphics Engine; LVDS Connectors, Document Number
13 9913; and Ferrari-XP Pinout.

14 All in violation of Title 18, United States Code, Section 1832(a)(3).

15

16 COUNT EIGHT: (18 U.S.C. § 1832(a)(3))

17 1. On or about November 23, 2001, in the Northern District of California, the defendant

18 MING ZHONG,
19 a/k/a Zhong Ming,
a/k/a Andy Zhong,

20 with intent to convert trade secrets belonging to Trident to the economic benefit of someone other
21 than the owner thereof, which trade secrets are related to and included in products that are produced
22 for and placed in interstate and foreign commerce, did knowingly possess such information knowing
23 it to have been stolen, appropriated, obtained, and converted without authorization, and intending
24 and knowing that his act would injure Trident.

25 2. Specifically, the defendant knowingly possessed trade secrets belonging to Trident at his
26 Transmeta office in the County of Santa Clara including the documents and materials identified as
27 follows: video engine display schematics; panel display documents; power management document;
28 block diagram on power management; panel interface documents; Panel Display Technology slide

INDICTMENT

1 presentation; training documents; video function support document; and video function documents.

2 All in violation of Title 18, United States Code, Section 1832(a)(3).

3
4 COUNT NINE: (18 U.S.C. §§ 2314 and 2)

5 1. On or about November 23, 2001, in the Northern District of California and elsewhere, the
6 defendant

7 FEI YE,
8 a/k/a Ye Fei,

9 did knowingly transport, transmit, and transfer in foreign commerce goods, wares, and merchandise
10 of a value of more than \$5,000, knowing them to have been stolen, converted and taken by fraud.

11 2. Specifically, defendant Fei Ye knowingly transported, transmitted, and transferred in
12 foreign commerce at SFO documents and materials containing trade secrets belonging to Transmeta
13 and Sun including documents and materials identified as follows: (a) Transmeta – p95f schematics
14 and astro schematics; and (b) Sun – Physical Design Methodology Rev. 2.0 and NeWSprint 2.5.

15 3. On or about November 23, 2001, in the Northern District of California and elsewhere, the
16 defendant

17 MING ZHONG,
18 a/k/a Zhong Ming,
19 a/k/a Andy Zhong,

20 did knowingly and intentionally aid and abet defendant Fei Ye in the commission of the offense
21 described in paragraphs 1 and 2 of this Count.

22 All in violation of Title 18, United States Code Sections 2314 and 2.

23 COUNT TEN: (18 U.S.C. §§ 2314 and 2)

24 1. On or about November 23, 2001, in the Northern District of California and elsewhere, the
25 defendant

26 MING ZHONG ,
27 a/k/a Zhong Ming,
28 a/k/a Andy Zhong,

did knowingly transport, transmit, and transfer in foreign commerce goods, wares, and merchandise
of a value of more than \$5,000, knowing them to have been stolen, converted and taken by fraud.

INDICTMENT

2. Specifically, defendant Ming Zhong knowingly transported, transmitted, and transferred in foreign commerce at SFO documents and materials containing trade secrets belonging to Transmeta including documents and materials identified as follows: technical information from Transmeta's intranet; computer aided design (CAD) scripts; and project Han schematics.

3. On or about November 23, 2001, in the Northern District of California and elsewhere, the defendant

FEI YE,
a/k/a Ye Fei,

did knowingly and intentionally aid and abet defendant Ming Zhong in the commission of the offense described in paragraphs 1 and 2 of this Count.


All in violation of Title 18, United States Code Sections 2314 and 2.


DATED: December 4, 2002.

A TRUE BILL.


FOREPERSON

KEVIN V. RYAN
United States Attorney


ELIZABETH DE LA VEGA
Chief, San Jose Branch

(Approved as to form: 

AUSA ROSS W. NADEL

INDICTMENT